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CENTRAL INTELLIGENCE AGENCY

# INFORMATION REPORT

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**CONFIDENTIAL**

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Communist Party Program

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26 November 1948

1. The Central Committee held an "action conference" for KPOe officials on 26 November 1948 in Vienna IX, Wasagasse 10. Theodor Maller and Friedl Fuernberg spoke at the conference. The following program was allegedly proposed:
  - a. Fight against opposition within the Party.
  - b. Attacks on members of the Austrian Government by means of "documents" exposing past misdeeds of government officials .
  - c. Strike preparations, including organizational work in the trade unions.
  - d. Split of the SPOe by inciting former Schutzbund members to rebel against present SPOe leadership.

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13 December 1948

2. [redacted] to be close to the Central Committee of the KPOe reports that current KPOe policy is keyed to a unanimous decision reached in conversations behind the scenes at the Fourteenth Party Congress in November 1948. There it was decided that, despite Soviet misdeeds in Austria, "Socialism is impossible without the Soviet Union." This decision governed KPOe policy on the Yugoslav question and on the line to be followed in future KPOe propaganda. Another key principle decided at the Fourteenth Congress was emphasis on the wage question in propaganda in the trade unions and factories. In this connection, source has noted that Communist employees of USIA plants visit non-USIA plants to display their slightly higher pay vouchers to the non-USIA employees. [redacted] of radical changes in immediate Party plans.

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[illegible]

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Communist Party Finances7 December 1948

3. On 7 December 1948, Baer, editor of Der Abend, told Hermann Wenkart of the association of Former Concentration-Camp Inmates (IK-Verband) that about 1 December 1948, the KPOe received a subsidy of several hundred thousand schillings from Cominform headquarters for a so-called active battle fund (aktiver Kampffond). Baer indicated that instructions for use of these funds had been transmitted by a Hungarian musician.

Werkschutz22 December 1948

4. On 22 December 1948, General Friedrich Franek, in his capacity of Werkschutz advisor for the KPOe, met with USIA Director Malavin at USIA headquarters. As a result of this conference, a set of instructions for Werkschutz unit leaders was drawn up, which will serve as a basic directive for provincial and district Werkschutz offices. A district leadership (Bezirksleitung) of the Werkschutz will correspond to a KPOe district leadership; for example, Marschall, Werkschutz leader in Vienna V, is at the same time deputy chief of the KPOe district leadership in Vienna V.\*\*

Communist Party School12 November 1948

5. A Communist Party school is reported to have been instituted during the month of November 1948 in Kirchschla, in the Mähelviertel for the instruction of Communists from various localities in Upper Austria. Among those attending was Ernst Arbeiter, a representative of KPOe local leadership (Ortsgruppenleitung) in Ried, Upper Austria; he resides in Ried, Brauhausgasse 8.

Communist Party PressLate December 1948 to Early January 1949

6. The following items all deal with the Austrian Communist press:
- The large-scale book transactions recently initiated by the KPOe are to be headed by Tibor Barta, who has been named general director of the book selling project by the Central Committee.\*\*\* Barta, who is about 50 years old, arrived in Austria from Mexico at the beginning of 1947.
  - The newspaper Welt am Montag has hitherto been printed by Globus Verlag with an average printing of 180,000 copies. Recently Globus was informed by the publisher of Welt am Montag that he intended to turn over printing of the newspaper to another printing firm.

25X1X ~~Comment:~~ Possibly the pianist Edith Farnadi.25X1A\* ~~Comment:~~ Marschall was mentioned previously in  as a KPOe liaison officer.25X1A\*\* ~~Comment:~~ See 

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- c. Reports of the poor financial status of Globus continue to circulate. Globus has not paid rent to the Soviet for several months on a house rented by the firm in Vienna IV, Lambrechtgasse 16. It is reported that the Soviets are adapting a warehouse in Atzgersdorf, Lower Austria to house a printing firm; according to rumors circulating at Globus, this new printing firm will eventually take over the printing of the Volksstimme, Oesterreichische Zeitung, and the Soviet Army newspaper, Za Chest' Rodiny. Printing presses have been brought to the warehouse from Germany and are allegedly now being put into working condition by "Victoria" Maschinenwerkstaetten Robert Reichl, Vienna VII, Schottenfeldgasse 63.
- d. The following are further details on the financial status of Globus, contained another report by the same source: In early December 1948, Globus made an unsuccessful attempt to obtain a credit of 300,000 schillings from the Arbeiterbank to cover the most important financial obligations of Globus. In mid-December 1948, the Christmas bonus for Globus workers was cancelled by order of General Director Gruenberg; the bonus money, which had already been inserted in pay envelopes, was returned to the cashier's office.
- e. Since the beginning of December 1948, the "Buecherschwemme", a bookstore operated by Globus,\* has taken in between 4,000 to 10,000 schillings per day on the sale of books. Since the stocks of books are large and are offered at cheap prices, some Austrian bookdealers have been buying in large lots for resale. Globus plans to open book-selling offices in every district of Vienna; it is hoped in this way to raise considerable funds.
- f. Further dismissal notices to workers and office employees of Globus were reported on 1 January 1949. Office employees notified on 1 January were to be dismissed on 31 March 1949; other office employees who received notices in December 1948 will be dismissed on 15 February 1949; workers are given fourteen days notice.
- g. Early in January 1949, Globus was presented with a bill for construction by the Neue Zeit printing firm in Linz-Urfahr, amounting to 8,000 schillings. At a Globus staff meeting held to discuss this matter, it was agreed that the various provincial printing firms operated by Globus are almost completely unprofitable. At the same meeting, a complaint was voiced that provincial sales of Communist newspapers are decreasing.

Communist Front Organization

Undated, Presumably December 1948

- 7. The KPÖe is pushing the formation of an Association of Independent Sport Clubs (Verband Unabhaengiger Sportverbaende) which is to be the Communist counterpart to the Union-Sportverband (People's Party) and the ASKÖe (Socialist-sponsored sport club). While officially independent and non-partisan, the association will in fact be used for political ends. According to statements of Nettel and Frau Kaufmann, editors of Der Abend, the KPÖe has neglected the sport field and now must exploit it as a more or less open means of giving physical training to young Communists and Party functionaries. Nettel said explicitly that the projected sport association would serve to train shock troops.

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Comments: See [REDACTED]

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Relationships between the KPOe and Various Individuals

25X1X November 1948

8. A relative of Friedl Fuernberg, General Secretary of the KPOe, told source that during November 1948 Fuernberg had lost ground to Heinrich Duermayer as the "coming man" in the eyes of the Soviet Communist Party\*.

13 December 1948

9. The following items come from [REDACTED] to be closed to the Central Committee of the KPOe: 25X1A

- a. The position of Ernst Fischer in the KPOe is as strong as ever.\*\* There is unanimity at the top Party level, according to source, on all matters of policy. Any existing opposition to the Party leadership is scattered, unorganized, and not regarded as dangerous.
- b. Stadtrat Dr. Viktor Matejka and Kunst, a KBOe trade union leader, were both severely rebuked by Party leaders for "failing to work closely enough with Party leadership." Kunst was told he had been "smothered" by Socialist trade union representatives.\*\*\*
- c. The Central Committee considers General Friedrich Franek a lukewarm collaborator.\*\*\*\* Although Franek knew Ernst Fischer in the USSR and has received Soviet briefing on the line of action he is to pursue, he has been careful to accept as little responsibility as possible. His work with the Werkschutz is of an advisory nature, and he avoids allowing his name to be associated with this or any other specific KPOe project which might prove unsuccessful. The Central Committee believes Franek to be a nationalist who would fall away from the KPOe in a crisis.
- d. The KPOe considers Baron Manfred Mauthner-Markhof to be a shrewd and reasonable businessman whose connections with the Central Committee are non-political.\*\*\*\*\* Mauthner-Markhof allegedly believes that Austrian industry will greatly need markets in eastern Europe after the conclusion of a peace treaty, and he is supposedly establishing contact with KPOe leaders and economic specialists in order to derive a better bargaining position in respect to Balkan and Central European markets. Source had the impression that Mauthner-Markhof's overtures to the KPOe were tacitly backed by Austrian industrial circles.

25X1A \* Comment: This sounds very much like a subjective opinion; it is not clear how Fuernberg or his relatives would learn how he stands with the Soviet CP. The informant may have meant that Fuernberg's standing with the Soviet occupational authorities had deteriorated. Comment: In [REDACTED] it was [REDACTED] had learned from a relative of Fuernberg that Fuernberg had fallen from Soviet favor. This report, however, was graded [REDACTED] and was considered [REDACTED] as contrary to other reports. 25X1A

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25X1A \*\* Comment: During the spring and summer of 1948, several reports were received indicating that Fischer's influence in the KPOe was waning, and that he was in disfavor with Soviet authorities. See [REDACTED]. 25X1A

25X1A\*\* Comment: This is possibly Willi Kunst, Central Committee member.

25X1A Comment: It was reported in [REDACTED] that the KPOe Central Committee tried to force Matejka's resignation as Stadtrat. 25X1A

25X1A\*\*\* Comment: Franek's connection with the KPOe has been frequently reported. See [REDACTED]. 25X1A

25X1A\*\*\*\* Comment: Mauthner-Markhof's contacts with the KPOe have frequently been reported. See [REDACTED].

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4 December 1948

10. An employee at the KPÖ Central Committee building claims to have seen Nationalrat Vinzenz Schumy (People's Party) in the building on 4 December 1948 for conferences with members of the KPÖ Vienna headquarters. According to an informant described as a businessman with secret Communist sympathies, another People's Party (ÖVP) Nationalrat, Dr. Otto Scheff, despite his anti-Communist reputation, is now seeking to establish good relations with the KPÖ. Reportedly Scheff has tempered his views about Communism as a result of frequent official dealings with Soviet officers in Moedling.

13 December 1948

11. The KPÖ policy in regard to Erwin Scharf is [REDACTED]

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- a. [REDACTED] learned that despite ideological and tactical differences between the KPÖ and the left wing Socialists, the KPÖ was helping to distribute Der Neue Vorwaerts, the new Scharf newspaper, just as it helped distribute Scharf's original pamphlet which brought about his expulsion from the Socialist Party. [REDACTED] the defection of Erwin Scharf from the SPÖ has deprived the SPÖ of some strength in USIA plants. He notes, for example, the following incident at the USIA-controlled Goerz optical plant, which has 819 workers, not including office personnel, of whom about 400 are KPÖ members: Ries, trade union leader at Goerz, was once a Communist but is now a Socialist and enjoys much personal popularity. After a recent workers' meeting in which Ries attacked Scharf, KPÖ members at Goerz launched a drive for signatures on a protest against Ries' attitude; they collected over 600 signatures.\*

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- b. [REDACTED] on 13 December 1948, Erwin Scharf had an important meeting in his home in Vienna XVI, Brüsselgasse 33, with Ernst Fischer and Karl Altmann to discuss Scharf's current collaboration with the KPÖ and his eventual coalition with it.\*\* Fischer and Altmann promised financial support for Scharf's newspaper, Der Neue Vorwaerts, and agreement was reached that Scharf could best serve the KPÖ for the present within the framework of his own party. Fischer explained that KPÖ strategy envisaged simultaneous attacks on the People's Party (ÖVP) and the Socialists. Scharf's job would be to attack the Socialist leadership, while carefully selected KPÖ members would converge on the ÖVP. The latter campaign would be an attempt to attract dissident and opportunistic members of the ÖVP, from whom the KPÖ might obtain derogatory information about prominent ÖVP personalities. In return for such information, the KPÖ would offer the possibility of security and a job in the event of a Communist putsch.

25X1A [REDACTED] Comment: Since Goerz is a Soviet-controlled plant, it is possible that an element of intimidation may have entered into the collection of signatures.

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25X1A\* [REDACTED] Comment: [REDACTED] a meeting of Scharf and Baron Hauthner-Larkhof on the morning of 22 December 1948 to discuss the financing of Scharf's activities; this report, which is allegedly based on a statement by an employee of the Central Committee, [REDACTED]

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December 1948

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[redacted] states that a list of 240 KPOe members who are considered unreliable is now circulating in the Central Committee building. The list consists mostly of names of members and officials branded as "nationalists", residing for the most part in Upper Austria and Salzburg. Dr. Hagenbuchner, Fuchs, and Mullner, all from Upper Austria, and Weinzierl and Buschovsky, both of Salzburg, figure on the list.

Miscellaneous Personality NotesDecember 1948

13. The following items were all allegedly obtained from an employee at the Central Committee.
- a. Friedl Fuernberg, Eder, and Dr. Josef Rosner attended a Communist Congress in Sofia. They were gone from 14 to 20 October 1948.\*
  - b. Franz Marek and Gottlieb Fiala represented the KPOe Central Committee at Polish CP celebrations in Warsaw at an unspecified date.\*\*
  - c. On 12 December 1948, a meeting took place at the home of General Franek in Vienna III, Modenapark; those attending were Franek, Mauthner-Marshof, and Central Committee members Josef Lauscher and Otto Horn.

Late December 1948

14. The following miscellaneous items all come from [redacted] 25X1A
- a. Schiller, an employee of Globus Verlag, visited Moscow in November 1948; the reason for his visit is not known.
  - b. Dr. Hedda Salzer, lawyer, with an office in Vienna I, Stubenring 14, was recently made a legal advisor to the KPOe.

25 December 1948

15. An unknown informant, possibly within the KPOe provincial leadership for Land Salzburg, stated that liaison between KPOe headquarters for Land Salzburg and the German Communist Party (KPD) is carried out by Dr. Ferdinand Knoll. At present, Knoll is attempting to get himself appointed Austrian consul in Bavaria; he is supported in this attempt by the Central Committee of the KPOe.

25X1A [redacted] 25X1A  
 Comment: A Communist named Rosner was mentioned in [redacted] as being scheduled to make a trip to Bulgaria in December 1948. The Rosner of [redacted] however, appeared to be identical with Jakob Rosner alias Karl or Fritz Lang.

25X1A [redacted] Comment: Fiala is vice-president of the Austrian Trade Union Association.

25X1A [redacted] Comment: A Richard Schueller is shown as an editor of the Volksstimme on a list of Globus employees contained in our files. The list does not include anyone named Schiller. [redacted] Comment: This Richard Schueller has now been named editor-in-chief of a publicity firm in Linz-Urfahr which publishes Linzner Tageszeitung. See [redacted]

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